



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Scott Hirschi
Division Director

3 Triad Center, Suite 400
355 West North Temple
Salt Lake City, Utah 84180-1204
801-538-5508
801-355-0922 (Fax)

May 17, 1994

CERTIFIED MAIL NO. P 051 448 239

Dennis Earle & Arnold Brannon
3602 B South Maplewood
Tulsa, OK 74135

Dear Messrs. Earle and Brannon:

RE: ML 45869 Metalliferous Minerals
S/019/032 Grand County

The terms and conditions of the above-numbered lease and the rules of the division require that upon submitting a notice of intent to commence mining the Lessee shall, upon Lessor's request, post a bond with the division. A bond is required primarily to ensure the reclamation of mined land disturbances but shall also be conditioned upon the payment of rentals and royalties which may become due the state.

Division records indicate that you submitted a notice of intent to commence surface mining upon five acres of land in 1993. You are requested to immediately submit a surety bond in the amount of \$25,000, or \$5,000 per acre, using the enclosed surety bond form. The Surety must be registered in Utah. In-lieu of a surety bond you may submit a \$25,000, or \$5,000 per acre, short term renewable certificate of deposit with a Utah banking institution, providing the division is listed as a co-owner of the CD.

Failure to comply with this request within the next 30 days may subject the lease to cancellation pursuant to Article XIX of the lease agreement.

Also, last August the division requested that you have a cultural resources survey performed on the subject lands but has received no response. Prior to commencing any operations upon these lands the cultural resources survey must be completed by a qualified archaeological consultant and submitted to the division for review.

Thank you for your cooperation. Please call me if you have any questions.

Sincerely,

JOHN T. BLAKE
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: ~~Wayne Hedberg~~